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Proposal for Establishing Stockpiles of Emergency Funds

Has any progress been made on this?

1. The necessity for establishing facilities for the purpose of ensuring the continuity of its activities in the event of an emergency has been recognized and provided for by measures taken by the Agency as a whole and by various components of the Agency. It would appear that additional plans might be made to provide for interim financial support during a critical period thru stockpiling cash funds in certain areas of pre-determined safety.

2. It would seem logical to presume that any plans prepared for the continued activity of the Agency during an emergency would depend in good part for their successful accomplishment upon the availability of funds to support these emergency measures. In the event of a major catastrophe affecting the Washington area, for a time at least, normal business activity would come to a standstill and be seriously curtailed until law and order was restored. This period could be for from several days to as much as several weeks, depending upon the severity of the damage suffered and the reaction of the public. The extent of the breakdown of day to day business activity would be determined by the loss of life, destruction of transportation, the damage to facilities and utilities and the morale of the public. Similarly affected would be the financial facilities in the area. Banks would first have to restore internal order before they could resume business and even then, would be handicapped by loss of trained personnel, damage to buildings and physical loss of funds. Undoubtedly Government would decree that a form of credit should be extended to care for the most urgent needs. Although Government warrants, checks and financial instruments would probably receive priority, actual cash available may be far short of emergency requirements. Although aid would be brought in from other areas, no one could say with any degree of certainty that relief would come early or late and what emergency measures would be in effect during the interim period between the shock and the recovery.

3. During and immediately after the emergency period, our financial needs would become critical to the point of seriously jeopardizing the continuity of our many activities, particularly if our cash funds were in short supply or depleted. Our needs would be immediate and on a day to day basis. Normal cash requirements would probably increase during a period of emergency since, in times of desperate uncertainty, actual currency is more reassuring and therefore negotiable than would be checks or other forms of negotiable instruments. Furthermore, the needs of Agency employees might be critical and to ensure having the services of its people during this emergency period, the Agency may find it desirable to financially assist them with their financial problems.

4. To prepare for an emergency of this nature, it is proposed that cash funds be stockpiled in safety deposit boxes in banks located outside the area most likely to suffer severe damage and disruption of business.

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advises that no action as yet and not until small agency dispersal plan is implemented

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Cash, rather than deposits, is suggested since there would most likely be less complications and less time required to draw cash from a deposit box than from bank deposits. It is suggested that three banks be selected, deposit boxes rented and cash funds in amounts up to [REDACTED] be stored in each box. The storage of these funds would be accomplished under such controls as would be determined to be necessary. Entry into the boxes would be by joint action of at least two persons. Formal acknowledgment of non-ownership of funds would be executed by the designated "Custodians". The initial choice of banks, the method employed to contact the bank officers, the persons chosen to accomplish the details, would be worked out by a committee designated by the Comptroller. It is suggested that this Committee draw up and submit a plan to the Comptroller for approval and that the approved plan become a part of the Vital Documents Records. 25X1A1a

5. The foregoing plan or proposal would be intended to provide only [REDACTED] for short-term financial support, hence only [REDACTED] is suggested as being the total amount to be stored. It would be virtually impossible for any one to foresee every contingency developing from a major catastrophe and determine in advance just how these contingencies would affect the operations of this Agency. Insofar as these would have a bearing upon the financial aspects of the Agency, it would appear to be logical to make certain plans which would act to keep a portion of our funds in a liquid condition, not tied up in any way which would make them unavailable when the need for them is greatest. Long-range planning for financial support would require the commitment of large sums of money and would entail more restrictive controls to reduce the consequent greater risks involved. Furthermore, long range planning for financial support could conceivably entail establishing bank accounts in areas distant from Washington as in the Middle-West, the South and in rural areas where military targets are either at a minimum or are more difficult to reach. Again, the direction of Agency activities may be carried out from points other than from Washington particularly since the Government may be moved to places of greater relative safety. Consequently, since many of these factors governing the manner in which the activity of the Agency will be carried on in a time of emergency are an unknown quantity and will be so for some time, depending in most part upon the circumstances prevailing at the actual time of emergency, it is suggested that any plan for interim financial support be confined to short-time requirements only. 25X1A1a

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